

**BUTTE-SILVER BOW LOCAL GOVERNMENT
STUDY COMMISSION**

**Minutes of the Meeting
September 15, 2005**

Butte-Silver Bow Courthouse, First Floor Conference Room

Meeting Date: September 15, 2005

Time: 5:30 p.m.

Place: Butte-Silver Bow Courthouse, First Floor Conference Room

Call to Order: Chairman Bob Worley brought the meeting to order at 5:36 p.m. and called roll with the following results:

Members Present: Ristene Hall, Wayne Harper, Dave Palmer, Meg Sharp, Cindi Shaw, Northey Tretheway, Bob Worley

Excused Absences: Tony Bonney, Shag Miller

Approval of Minutes: Ristene had found an error on page 7 where she stated what does the state and the EPA have to gain by supporting the best cleanup for Butte. It should have stated what does the state and the EPA have to gain by not supporting... Northey motioned that the minutes from September 8th be approved. Ristene seconded. All were in favor for the approval for the minutes of September 8, 2005.

Comments from Ron Rowling: No comments other than thanking John Ray and John Walsh for attending the meeting. Ron further commented that he still doing research on the questions that Bob Worley wanted other communities in Montana to answer.

Citizen's Comments: Sheriff John Walsh wanted to try to get an explanation from the minutes of August 25, 2005 specifically from Tony Bonney, who was absent. The other comment was made by Meg Sharp and Sheriff John Walsh would like to get an explanation from her. Sheriff John Walsh stated as far as an appointed versus elected sheriff, he was not there to advocate for either but in his opinion he would have to say elected official. Sheriff John Walsh referred to a statement from Meg Sharp and Tony Bonney. Meg Sharp's statement from August 25, 2005 stated she thinks the present sheriff takes advantage of his present position and he cannot be fired. Meg further stated in the minutes from August 25th that he has given good cause. John Walsh stated that he is at a loss and would like to know the issue that brought forth that comment. John stated that it does not seem right for them to make those comments and not have someone there to address their comments and answer questions that are involved in statements like the one Meg Sharp and Tony Bonney made. John stated that they are public record documents and he would like to have an explanation so he could know what the issue was. John Walsh read the statement from Tony Bonney, which read Tony thought that they seemed to think they have lost control of how things get done in the Sheriff's office. John again asked for an explanation.

Bob Worley stated that Tony would have to give his thoughts and why he feels what he feels. Northey stated to Sheriff John Walsh that he is going to hear comments one way or another from everyone as the Study Commission debates and discusses what issues are going to get put on the ballot. Northey stated that there are going to be comments made during the process.

John Walsh stated that he understands that, however when he read the minutes and the comments made, he does not understand where those comments are coming from and would like clarification or examples. John read again the comment from Meg Sharp that read Sheriff John Walsh takes advantage of his current position. Sheriff John Walsh stated that as far as he knows he has done everything he could possibly do for the citizens of the community to try and better our community, take care of the citizens and the department. John continued to state that is why he is present. He stated that it is hard to read those types of things when someone does not explain their reasoning or give examples. Bob stated that he does not want to speak on

behalf of Tony but there has been talk and issues about the dog problem. Bob spoke of the Wood family who had a dog problem late at night. Mrs. Wood could not get into her home late at night because two large dogs were not allowing her to enter her property. Mrs. Wood stated that she called the police department but the response was not good. She had to stay with her mother that night. John replied that if these matters were brought to his attention he would be able to address those situations. John stated that is what his job is to field complaints, concerns and do his best to address them. John stated that in regard to the dog problem at 11 p.m. obviously the dogcatchers are not out. He is not sure what the dispatchers said but stated that everything is recorded and they could go back and listen to the conversation. Bob commented that was asked of Mrs. Wood if she had contacted the sheriff's department the following day and she had not.

Meg Sharp had no response to her comment from the minutes of August 25th.

Ristene Hall commented that in response to Tony's comment there has been a lot of complaints on citizens filling out their own reports. Ristene felt Tony was responding to that.

John replied that a year and a half to two years ago there were five positions that they were trying to fill in the local Law Enforcement Department. On June 30th, the local government got into a 2.5 million dollar shortfall and cut all of the vacant positions out. By not being able to fill those positions and then having officers tell him they were going to retire, they thought this would be a way to help the officers be out on the street more and have the citizens bring in their issues, such as their hose got cut and there is no suspect or witness. John stated that this was a way to have more officers out on the street rather than in the office on a computer filling reports on a cut hose. Those kinds of things are addressed and put into the computer. Citizens have their report brought in and it goes into the computer. There is not much that can be done unless someone admits they cut that person's hose. They are getting as much efficiency to the department as possible. John stated that they are not trying to circumvent any work. Their manpower is such that they needed to have some different thought processes. Ristene replied that she understands this but it is still a lot of complaints from citizens. Ristene commented that these citizens might feel that their tax dollar is not going that far and are unhappy about having to fill out their own forms. John stated that he felt it would be a benefit to the citizens because they could pull off the form from the website, fill it out at their convenience and send it on their time. Ristene asked if it has been successful. John stated that he has people who come in and state their appreciation for it being done that way. John stated that they would hear more people make complaints than compliments. John stated that it is an advantage to the department and the citizens since more police would be able to patrol and respond to top priority and emergency situations, such as domestic violence or assault issues.

Cindi Shaw asked that the issues that come up that require people to come in and do their own report basically have no real evidence or witnesses. It is more of a record keeping system. If it is more of an issue that requires a witness or there is a victim then an officer would respond? John stated that was correct. It was not so they could spend more time at the coffee shop.

Bob stated that these comments should not be taken personal. John replied that he is there to get some clarification to the statements that were made.

Northey stated that those comments will come out but in order for something to make it to the ballot they will have to be flushed out. Next, they would be factually identified, if they are things that you have brought up or on somebody's mind, that you would discuss here before they would actually give vote to the ballot.

Sheriff John Walsh replied that he appreciates Northey's explanation.

Items on Agenda that have not been addressed: Meg Sharp had one question on Ron's list. Question #4 which reads do they have a centralized department. How is it working? Is it successful and how is it handled? Meg believed that was in reference to a complaint department so complaint should be in there.

Guest Speaker-John Ray, Professor at Montana Tech. John started by discussing his focus on what could be done with charter to facilitate an adequate cleanup of the Butte Hill under Superfund. He read through Fritz's comments from last week and he seemed to go into extensive detail about what has happened and what will be happening on the ground so he will not retread that information unless the Study Commission has any questions. John stated that what is going to occur sometime in the relative near future, the EPA is going to make a decision on the last Superfund site in this area called the Priority Soils, which is from Front Street north to Walkerville. There is one non-priority soils area, which is west of Tech. John stated that is a long way off because people are not living around there in a great extent. John stated that once the EPA reaches the Priority Soils decision and you have that record of decision that will be it for Butte and the Clarkfork River. The issue for Butte is after this decision it is going to call for leaving waste in place on the Butte Hill and using caps, institutional controls to maintain that waste. There has been stuff in the paper about the parrottailing and those will be left in place and written off. John stated that there would be primarily a waste in place solution. The issue is going to be with that kind of decision really two things will be important. The implementation of the decision and the monitoring of that implementation making sure that the institutional controls, the operation and maintenance activities are done properly in order to be protective. A lot of this will depend on BSB because a lot of the responsibility for implementation and monitoring will be Butte's responsibility. Arco will be paying for a large part of that but the actual on the ground implementation and monitoring would be done by the county under the supervision of the EPA. The county will have a significant role in implementing and monitoring that decision. John's suggestion that he would make for the charter revision and Fritz mentioned the same thing was he would urge the creation of a separate agency within local government to perform a Superfund oversight. John stated that they could call it what they will such as Superfund Implementation and Monitoring Division. John further suggested that part of that a citizen's committee be created to provide an input into the implement and monitoring. John stated that the new agency and the citizen's group would be responsible for three things. One, monitoring to make sure it was fully protected and the implementation of a cleanup to make sure water quality standards were being met and that the work was being done in a protective manner. The second thing would be to pursue grants. For example, the EPA under their Environmental Justice Program, Brown's Field, Superfund Redevelopment Initiative and a host of others provide communities with grant monies to help with the implementation of a remedy. The third thing would be there is going to be a lot of money coming down the pike from ARCO to implement these decisions. The money from ARCO is going to be coming from under two venues; one is going to pay for the cleanup under superfund. The other venue of money is from the Natural Resource Damage Program. Superfund is supposed to remediate and cleanup the mess. The Natural Resource Damage Program is to pay for restoring the damaged resource or acquiring its equivalent. John stated the bottom line is a lot of money could potentially be coming from both of these sources. John Ray stated that the term sheet Fritz discussed is still being negotiated. If that comes to pass there will be a lot of responsibility for implementation and monitoring and the remedy will rest with BSB. That would be part of the contractual relationship. John stated he would see the benefits of having a separate division or agency with its own director. John noticed that Fritz called for the election of the person whereas he leans more towards the appointment of the person and set up specific criteria that person would need. For example, a background in Engineering or Environmental Law. The advantage he sees in having a separate agency would be greater transparency for the public. With Superfund, it is harder to get and keep public involved. One thing this separate agency as well as the oversight committee could do is engage, in part, in public outreach kinds of things. This would make the Superfund implementation and monitoring more transparent. The other thing would be accountability. Third, it would allow for greater citizen input by having a citizen advisory committee. The EPA created an advisory committee priority soils that came out with extensive recommendations that are going to be ignored by the EPA but it was a good idea to have that kind of committee. They came up with some good input and ideas and there is no reason that could not be done with that new division. It would be more representative of the people by having a separate division with its own citizen committee. You could through the committee and through participation of the agencies, get more citizens input and make it more representative of the citizen's views. This is a long- term project because they are leaving waste in place. The monitoring and implementation is going to be a long-term investment on part of the county. Because the waste will be left in place, the hill will never be cleaned up so they will always have to depend on perpetual monitoring to make sure the remedy is protective of human health. He prefers having an independent group doing the monitoring and implementation rather than depending on information coming solely from ARCO or EPA because he is not sure if they have been fully sensitive to the needs of the community in looking at the Priority Soils unit.

This agency could pursue grants to promote economic redevelopment of the areas. It would be more than just environmental protection but it can get into issues of economic revitalization. John stated that he what he see could be part of the charter. John stated that he did not think the funding would be a problem because the money would be there and could rechannel where that money is going to go. John again went over the advantages of having a separate department to get an overall better cleanup. John stated that the bottom line is the best thing EPA could have done is not go for a waste in place so they could really clean up the hill. John stated that Butte is not going to get that so we need to make the best of what we are going to get and he feels that a separate agency within the local government with the citizen's oversight committee would be the best that they could do. John that the bottom line is going to be the monitoring and implementation.

Cindi Shaw asked if they know if the funds that are coming in for remedial cleanup, some could be dispersed for administrative purposes. Is that something that could be done for sure?

John Ray replied that it is his understanding in reading the term settlement sheet that ARCO will not do the work themselves. Much of it will be hiring or paying the county to do the work. John explained that instead of the money going to the Health or Planning Department, that money that is going to be coming in could be funneled into a separate agency.

John Ray stated that the funding would come from ARCO. John stated that ARCO could care less. John stated that he does not know what the cost estimate would be because there is already a position in the Planning Department or maybe two for Superfund. It might be simple taking that out of Planning and putting it in its own division. Advertise for the department head, set up the qualifications and the salary they come up with will be commensurate with the Planning Department, maybe a little more. He does not know if the cost would be that great of an issue. The funding of the work is to come from ARCO. ARCO could care less who they write the check to, the Planning Department or the new Environmental Quality Division. They are paying for the work to get done. John does not see it as expensive to set up the structure of an independent agency. It might be one additional staff person, maybe a secretary. The people to do the work are going to have to be there anyway. The question is would it be better for visibility, accountability and representativeness in having a separate group or have it among several different agencies within the local government. John thought it would be better to have it concentrated in one agency.

Cindi Shaw replied that it is going to be a stumbling block any time they ask for more departments and people. Cindi was wondering if John thought there might be more of an exchange where it is not going to be an extra expense.

John replied it is not like creating a new department. The viability of this in terms of funding is there is a source of funding that does not depend on tax dollars directly and that is ARCO and NRD funds. Part of those funds go for administrative kinds of things and so the cost to the city would be minimal.

Northey Tretheway asked as the funding comes in, is it a reimbursable type of funding mechanism or is it a lump sum at the beginning and you pull out as you do the work or do you build after the work is done?

Tom Malloy replied that the agreements are being negotiated now. They have not been approved. He contemplates basically an upfront funding of the entire 100-year program. There will be multiple accounts in capital monies in a separate account, operating expenses in a separate account, economic development money in a separate account. It will include multiple accounts established. There would be a ground water trust account to operate the long-term operation of the ground water control areas. Basically it does anticipate multiple payments over a five-year period upfront that would fund the next 100 years.

Ristene Hall asked Tom if the money for the operating expenses is this wages that will be paid out of that money?

Tom replied the number is being discussed are on a spreadsheet and the operating expenditures include both estimated costs to run the different programs which includes labor, materials, computer time, vehicles.

Ristene asked if he knew what percentage was for operating costs? Tom replied that he did not.

Northey commented that because it is not a reimbursable expense, potentially assuming we know what the costs are going to be over the next 100 years, it is critical that you don't over step with that cost because you might be under-funding something down the road. There is no way of going back and recapturing something if there is an under-estimate. If we under-estimate something now, what is the recourse down the road to recapture that. Northey stated insurance may be one way he is not sure.

Ristene asked John Ray about creating a separate agency for Superfund but you recommended that it be appointed rather than elected. Ristene explained that they have discussed the election process and how to keep the people involved and have them elect the qualified people that are on the board. If you recommend appointing it, whom would you recommend to do the appointing?

John Ray asked for the board or the committee? Ristene replied for the Superfund board or agency. John replied in regard to the citizen's committee you could do it as an elected process or they could attempt to look at the different interests that have been involved in the Superfund process. For example, get someone to represent the low-income community. John stated that a problem you run into with an election would be certain segments that are really involved in the Superfund process may not want to run for election or get elected. John thought they could probably identify the interests that have been involved in Superfund fairly easily and to make sure you had one representative for that. His view is that it would be an advisory type committee to provide citizen input. For example, most of the divisions within the local government like Planning are not elected. John Ray stated you would want to make sure that if you did have... and this gets into the funds, that the people who are running this operation have the technical confidence to make sure they would stay within the budget to be able to supervise a cleanup and that kind of thing. John stated that his point is well taken and it is going to be a problem no matter which way you go. If you are looking at cost 100 years from now and you are trying to cost out what it is going to be that is guesswork. That is one of the arguments he has made all along why cleanup is better than leaving the waste in place. If you clean it up once it is gone, the costs are minimal. If the waste is left in place it has to be monitored forever and who knows what that cost is going to be 100 years from now. Who knows if there is going to be enough money? Who knows if the safeguards of the term sheet are going to be sufficiently protected? Who knows if ARCO will even be here in 100 years? That is the problem. The obligations and the liabilities particularly once that contract is gone becomes a legal binding agreement. One of his concerns has been that the cost estimate is a hope rather than sound based accounting. Sometimes hopes get smashed and that means the citizens will pay for it through taxes. John thought if they had an aggressive pursuit of grant money that would help with the funding. Things like economic revitalization. You could build that into the implementation of the remedy to promote economic revitalization of the areas that are impacted. There is money available through EPA and other sources, grant funds for that which covers administration and implementation.

Cindi Shaw asked about the need of an independent group to monitor these monies. Is it ARCO or EPA that would monitor these funds? ARCO by paying it would have a certain interest in how the money was spent but the primary oversight would be from EPA. It is in his view that what ARCO wants to do is as expeditiously as possible and for as little money as possible end this liability issue. In other words get out from Superfund in this area. The primary oversight for the quality of the remedy would be EPA overseeing what is done and the local government because of its interest in protecting the public health. Cindi asked if they put that to a public vote, does the public have some authority that could override the EPA's monitoring of those monies?

Cindi Shaw asked Tom Malloy if that was the case. Tom replied that there are a few points that need clarification. The EPA looks to the responsible parties to do the work. How the responsible parties divvy up the work, who does the work, the distribution of work between the parties, the EPA really does not care as long as the work gets done on time, on schedule and done adequately. The EPA would be more concerned with supervising the work not the money. The money that is being negotiated with ARCO, ARCO is very interested in how the money is spent. For example, if they give us 10 million to run a treatment plant, they cannot take that 10 million dollars and go build a softball field. The money has to be used for the purpose it was given. If they want to use it on a treatment plant, they do not want ARCO to

have the authority how, when and where to operate the water treatment plant. They will run the water treatment plant and use that money they give us to do the tasks that they are assigned and tell them where the money is going and who has it and when it is spent. They have the ability to ask where the money is going and the details. It is their money and we have an obligation to tell them where it is going and how it is being spent. They do not have rejection or approval status on that budget. If there was misuse of the money then they do have rejection on that. How ARCO approves or rejects that expenditure is what they are negotiating right now. The lawyers are hammering out the terms of what ARCO can and cannot do in regard to budgets. The EPA will be concerned over the work making sure the work is done on schedule and properly.

John commented if the water treatment plant did not meet standards it would be the EPA that would flag that.

Ristene asked John once the decision is made on how to spend the water treatment money, does he think that decision should go before the Council of Commissioners, to go before the people for approval?

John replied that he did not think so. Ristene asked how do they keep the people involved. John replied that the design of a water treatment plant would be an engineering technical thing. Ristene commented that they are doing their best to keep things open and honest to the public. John commented that the Planning Department, for example, has to account for how its monies are spent. John stated that he was not sure what kind of budgeting system the city uses but the best thing would be to have certain things you want to accomplish such as certain goals and objectives while budgeting a certain amount of money to achieve those goals and objectives. Then at the end of the year, you could see if you achieved them and if not, why? The Citizen's Committee could produce reports to the Council of Commissioners on a periodic basis. John recommended something like Pit Watch be sent out. Something giving an update about what is going on and what has been spent. What have they got for that money and what has been done? John stated that he knows the term sheet is the accounting mechanism, which is being negotiated currently. John stated that the term sheet would come back for public comment. That it will come back to Council and there will be more public hearings on that term sheet. John commented that getting involved in Superfund is not that easy and dealing with federal/state agencies is not that easy? If this agency of government could be proactive in drawing citizens in then that would be a benefit to the community. John commented that it would not only be a benefit to the community but also economic revitalization. John stated that is a big issue. How do you revitalize an area from Front Street to Walkerville with the toxic waste left in place and those kinds of things?

Wayne Harper stated the important thing is if the revitalization of Walkerville is not in the term sheets, it is not done, they can have all the committees on the planet that they want to throw money at. It is not going to get a nickel thrown that way because ARCO did not say they would spend money on it and BSB did not say that is what they are going to do with it. It does not matter what committees want to do. If revitalization is not in there, this committee is not going to have any power to change what is in those terms. Wayne felt that everyone should understand that whatever the Citizen Committee is they should know what is going on. All they are going to be able to do is suggest they implement the term sheet in a manner that fits Butte. Wayne commented that once the term sheet is done, it is none of their business other than to make sure it is implemented in a fashion that best helps BSB.

Northey asked if the 15 or 20 million dollars for economic development pretty much what Butte wants to use it for?

Tom Malloy replied within the negotiations with ARCO on the money, there is one account that is specifically set-aside for BSB for the economic revitalization of Butte. That account is 15 million dollars. The longer they negotiate the more interest it will accrue. That one account is for BSB to do with as they please. BSB can spend it on whatever they want. ARCO does not care. The rest of the money there are specific uses for each of the accounts.

Wayne Harper commented that is something the Citizen's Committee could help with.

Tom Malloy clarified what Dr. Ray suggested. The county has proposed in their position, the establishment of a board of directors to oversee the spending of the superfund money. A board could be established within the county that we are going to receive from multiple sources a tremendous amount of cash coming in. Where does the cash go and which bank account does it go to? Tom continued who has spending authority over that bank account and how many bank accounts are there? They recognized that the Planning Department, Health Department, Chief Executive and everybody that they need some kind of board established to oversee the money. They have proposed that a board be established and that board would have the Governor, Attorney General...and based on that model from Helena, BSB would have the Chief Executive, County Attorney, Superintendent of the School District, and so forth. There would be six members on that board and a couple of non-official members. One, for example, would be a CPA who had experience managing large volumes of money and the other would be an Environment Engineer that had expertise in revitalization projects. What they anticipated is that board will be necessary to oversee the spending of that money. What John Ray suggested is a different board to over see the work.

Northey commented that 35% of the total amount is discretionary which is a huge sum of money. Northey did not believe anybody is disagreeing that there needs to be some sort of oversight on that it is a matter of whether it is written in the charter in some sort of fashion or not.

Bob Worley spoke about the discussion with Jon Sesso and Paul Babb previously regarding charter vs. ordinance. Bob commented to them that ordinances and charters could be changed. Bob stated that it is the goal of the committee that something be established within the charter of BSB that there be a Citizen Advisory Committee that helps establish and account for how the money is allocated and spent. Bob stated that it is going to be up to them how they iron it out and talk to some people on how that is going to be done.

John Ray spoke about Wayne's previous comment regarding the term sheet. The term sheet that is coming down, whatever is done by the Study Commission is going to be a critical document for BSB. John Ray stated that what Wayne stated is exactly right. Whatever the terms of the term sheet end up being it is pretty certain that a majority of ARCO will contract with BSB to do the work. EPA will supervise the quality of that work. It will be essentially implementing a waste in place solution. John asked how can you get the best implementation and monitoring, how can you maximize citizen participation in that and what can the Study Commission do with them working on the charter, not ordinances? John stated that he would go back to what he stated previously in regard to creating a separate division of local government to deal with those Superfund issues. John stated that there is also the possibility of Grant money and there is going to be money coming in from the Natural Resource Damage Suit. John stated what he assumes will happen once EPA writes off the aquifer with the parrottailings and does a technical practicability decision which they make in October. Their claim could be filed through NRDP or this damaged resource, which could be additional money and so forth. John stated that the citizen's group, he was envisioning would be involved in a general oversight of the work that is done but would also pursue grant money. John stated that they need a group that can come up with ideas and those kinds of things. The citizen's committee could be much more representative of the community. John suggested having a representative of the Realtor's Association, a representative of the low-income community or health community that you would get more creativity. You would be involving people who are directly affected by what is going on.

Bob Worley stated that he thought with the Superfund money and with the way that the county government wants to do this, he believes there would be such an internal fight for funding by the Health Department or Land Board that it would be really smart to have someone there who is a director of Superfund.

Wayne commented that we are not the first superfund sight. Wayne stated that New Jersey has seven or eight in place that are smaller. Wayne stated that there are wheels out there that have been invented and asked if there are other ones out there to look at for a model.

John stated yes. Most communities have done similar kinds of things. They call them different things and so forth but this is not unique to Butte. Wayne asked if there is a website they could look at. John suggested the EPA website.

Tom Malloy stated that the EPA spends a lot of money on the Brown's field program. They take areas that used to be industrial buildings, factories and revitalize it into something economically useful. There are a lot of grants available and all kinds of economic assistance.

Tom Malloy stated specific to the proposal the county has made is the one who supervises the money. We are more focused on the money and there will be all kinds of proposals especially on the discretionary money. As soon as that is available, there will be all kinds of proposals coming in from all kinds of people as to where that money goes and how it is spent. They will need public input, elected officials, appointed officials, public representatives to help decide where that money is best spent. Tom stated as far as doing the actual work and how the long term operation and maintenance of the work is performed, Dr. John Ray is suggesting a centralized environmental department that is responsible for Superfund. The Lead Program is now run through the Health Department whether or not it is a health issue or an environmental. Tom Malloy stated that just today he was in a meeting with his attorneys on this subject. The first document that was approved by the Council of Commissioners was a settlement term sheet. The next one that comes out is called an allocation agreement. Tom stated that basically they are the same thing but one is a lot longer than the other. The allocation agreement should be ready for presentation to the Council of Commissioners within several months from now. Assuming several months of public debate and discussion of whether it goes forward or not they would be looking, assuming that it goes public to the Council of Commissioners, and there is an extensive public input process and maybe there are changes or not. If the Council authorizes approval and the Chief Executive signs it there is going to be a large amount of money deposited somewhere in BSB's bank account.

Northey asked doesn't that wait until it is signed off?

Tom replied that there is an initial upfront payment upon reaching the allocation agreement. There is a secondary opinion when the record of decision comes out. There is a whole series of payments that come over a five-year period after that. They need a BSB spending authority, like the airport board, for the TIFID district; for all of the different communities spending authorities that we have. We may need this within relatively a short number of months, within the next year if it goes through. We may need this board appointed and authorized to spend money. To accept the money first and then spend it. The other point Northey brought up was getting the money right in their upfront negotiations because if they guess wrong, the 100-year plan could really hurt them. There are two things that are incorporated into the negotiations. One is insurance that if they run out of money in this one account, for example the water treatment plant, they thought they would need 1 million dollars a year and they end up spending 1.2 million and after ten years they were all out money, there is insurance they can fall back on. If they claim the insurance and they spend all of the money and all of the insurance money then there is ARCO back stock where ARCO has said if BSB runs out of money and they run out of the insurance money BSB can fall back on ARCO to come forward and assume the responsibility from that point forward.

Tom Malloy stated what the language specifically said is if we run out of money and insurance money, BSB would no longer be responsible to perform those duties.

John Ray stated that one, the EPA, if they find the remedy is not doing what it is supposed to do they can go back and reopen the record of decision and require additional work and money. Chances of that are slim but it is a possibility. In terms of the two things that Tom mentioned, it is true, the insurance policy is in there and the back stock but with the insurance, you would then be dealing with insurance companies and as people have found out what is often stated in the insurance policy isn't often what comes to pass. You may need to engage in some kinds of legal issues with an insurance company. John Ray stated that what he has read into back stock is a potential problem. With back stock, ARCO has to agree that the work up to that time has been done correctly and approve it before the additional money is triggered. In theory, ARCO could say you wasted that money and we are not going to pay you. Then you would have to sue ARCO. John Ray commented about the Browns Field Project that Tom discusses and turning a run down area into something that has economic value which would increase tax revenue and that is another source of money into the community. John stated with a separate centralized department, you might minimize the conflict that is going to be coming from different agencies. John stated that he could sit and make an argument that

the dog problem could qualify for economic revitalization money. Dealing with the meth problem could qualify for revitalization money and so forth. John stated that whenever there is money, it is amazing to see the people that come out of the woodwork that want it.

Tom Malloy commented on the money being put into bonds and investment devices. That is why they gave the net present value. They could take most of the money and put it into a bank account and draw interest. Tom stated that when Mike Shea was Budget Director, he stated the county has a lot of money into bonds and other investment devices. Typically, the way they are structured is called a ladder device, which is a ladder with five rungs that every fifth year one of the bonds matures. Tom thought he said it was required by state law or something to that effect. John thought he also said that the county could not put all their eggs into one single basket.

Bob asked if there were any other questions for Dr. Ray and everyone thanked him for attending.

John Ray asked if there is talk of a special election on the charter revision. Bob stated there is not and there would be one either in June or November.

John Ray asked if they are planning to sell the changes they are recommending. Bob stated that they are and will start to go through and review the entire charter. The plan is 90 days before that, this will go before the electorate.

John stated that there have been these groups in the past that put in all this work and everything got voted down. John suggested that with the Superfund issue, explain to the public that this is the problem, this is the need and this is what we are doing to address it.

Bob replied hopefully they could present it that way.

Everyone thanked John Ray for attending.

Chairman Bob Worley stated that next week they would start to go over charter changes. Bob has been in touch with Ron Cass, who is with the Police Commission. He spoke with Ron and needs to get a hold of Craig Thomas. He is the secretary of the Police Commission. Bob is going to set a date to meet with them to get input on their thoughts regarding the appointing of a sheriff. Next week, they should have answers to some of the questions. Bob stated that he will try and get answers from the Citizen Committee of Great Falls that are involved up there with the Council of Commissioners.

Cindi Shaw spoke of today's article about Paul Babb and things that were discussed about the charter. The judge referenced Title I of Chapter VII.

Date for Next Meeting: September 22, 2005

Adjournment: Chairman Bob Worley entertained a motion for adjournment. Wayne motioned for adjournment and Dave seconded.

Meeting adjourned at approximately 7:30 p.m.